

CENTRAL INTELLIGENCE AGENCY
WASHINGTON 25, D. C.

The Honorable
The Director of the
Bureau of the Budget
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Washington 25, D. C.

Dear Mr. Lawton:

The procurement program of this Agency, while small by Government standards, is highly specialized and complicated by the ever-present security problems. For a considerable part, we must depend on small plants which can be persuaded to undertake small-scale production of specialty items under the necessary safeguards. Frequently these plants, while solvent, do not have sufficient financial backing to finance our contracts out of their own resources.

In view of the above and of the close relation which the activities of this Agency have with the national defense and security, we believe it desirable that this Agency have the authority to guarantee bank loans, in accordance with the Defense Production Act of 1950, and to provide in contracts that payments to an assignee shall not be subject to reduction or set-off, as provided in the Act of May 15, 1951, amending the Assignment of Claims Act of 1940, 31 USC § 203.

Accordingly, we are forwarding drafts of Executive Orders to accomplish these purposes. If you agree that such orders would be appropriate, please forward them to the White House with your recommendation. If you wish any further details or justification, please call our General Counsel.

Sincerely yours,

Walter Reid Wolf
Deputy Director
(Administration)

2 Encls.
Drafts of Executive Orders